

LYNCHBURG REGIONAL AIRPORT

COMMISSION MEMBER UPDATE

Wednesday, June 11, 2014

REPORT

PASSENGER TRAFFIC RECOVERS FROM THE HARSH WINTER

Now that we have the disastrous winter weather behind us, I'm pleased to report that passenger traffic and normal airline operations have returned to more normal levels. While March passenger traffic was down slightly over last March, LYH's April traffic experienced a healthy 4.4 percent increase over last April, with some 14,266 total passengers handled. Flight frequency and seat capacity remained stable, with load factors hovering near 80 percent. Looking ahead, US Airways has confirmed strong advanced bookings for LYH into the summer, with overall load factors in June and July running about 8 percent ahead of last year's pace.

CONTRACT TOWER PROGRAM FUNDING CLEARS HOUSE AND SENATE HURDLES

Earlier this week, I received excellent news regarding FAA contract tower funding for fiscal year (FY) 2015. The DOT/FAA Appropriations legislation for FY '15 has been approved by the full Senate Appropriations Committee, and includes a total of \$149 million in dedicated funding for the FAA contract tower program (\$138.7 million for the fully funded towers and \$10.35 million for the cost-share contract towers). This follows House Appropriations Committee action earlier this month that included \$140 million (\$9.5 million for the cost share towers) in dedicated funding for the contract tower program in the FY '15 DOT/FAA Appropriations legislation and subsequently approved by the full House Appropriations Committee.

On a related note, the environmental assessment report for LYH's new air traffic control tower has been submitted to the FAA for review which, once approved, will pave the way for the actual design phase of our new tower to begin. At this point, we should be able to remain on schedule for construction to begin by next summer.

PHASE 2 OF AIRFIELD REHAB PROJECT WELL UNDERWAY

With the taxiway realignment and parking apron expansion project now well under way, the operational impact from the first phase of the project has proven to be relatively manageable, due largely to the efficient handling of modified traffic procedures by LYH's very capable air traffic controllers. While the project remains slightly behind schedule due to some unforeseen in the field "discoveries," I am hopeful that continued good construction weather will allow the project to get back on schedule. Overall, it looks like this will be a very valuable and useful addition to the airfield, and should greatly expand the utility of the new concrete ramp constructed last year that primarily accommodates Liberty School of Aeronautics training aircraft.

I will provide a project update at next Monday's meeting and answer any questions the Commission may have about this project.

AIRPORT OPERATING REVENUES ON RECORD PACE

The FY 2014 budget slated to end June 30th is now projected to end with total direct operating revenues at a record level, and signaling a full recovery from the financial impact of Delta Airlines discontinuing all LYH service in early 2010. For the year, the airport is projecting that LYH's direct revenues from on-airport operations and activities will amount to some \$2,149,922. That compares to the next highest revenue year of 2010 at \$2,139,109. Not surprisingly, new records are also expected to be set in two of the airport's top revenue performers overall – the airline terminal parking lot and rental car revenue centers.

AIR SERVICE RFP YIELDS THREE SHORT-LISTED FIRMS

Three air service consulting firms have been selected for term contracts to provide professional services related to recruiting and retaining airline service over the next four years at LYH. The firms, which were reviewed and selected by representatives of the Chamber's Air Service Development Partnership and airport staff, are as follows:

- The Boyd Group
- Mead & Hunt
- Sixel Consulting Group

Staff is currently negotiating scopes of work with two of the three firms to place under initial task orders for targeting United Airlines service to Washington Dulles, and possible upgraded service by the new American Airlines as it continues to be combined with US Airways.

CITY COUNCIL PUBLIC HEARING ON FREEDOM AVIATION ASSIGNMENT SET FOR JUNE 24

Just a reminder that City Council has scheduled a public hearing to consider Freedom Aviation's and Virginia Aviation's joint request to amend Virginia Aviation's lease to allow its acquisition by Freedom. The meeting is scheduled for June 24, 2014 at 7:30 p.m. in City Council chambers at City Hall. There will be sufficient opportunities for public comment as part of the public hearing process.

AGENDA FOR COMMISSION MEETING

Agenda items for the June meeting will once again focus mainly on updates to the various projects and activities currently underway at LYH. If you have any questions regarding the upcoming Commission meeting, please feel free to give me a call at 455-6089, or by cell at 444-3363.

Respectfully yours,

Mark F. Courtney

Mark F. Courtney, A.A.E.
Airport Director

LYNCHBURG REGIONAL AIRPORT COMMISSION
Monday, June 16, 2014
4:00 p.m.

AGENDA FOR THE COMMISSION

1. Call to Order

CONSENT AGENDA

2. March 24, 2014 Commission Meeting Minutes
May 19, 2014 Special Commission Meeting Minutes
3. Lynchburg Regional Airport June 2014 Air Service Update
4. April 2014 Passenger Traffic Report

Consent Agenda Recommended Action: Receive and File

REGULAR AGENDA

5. Report of the Airport Director
 - A. An update on the final selection of professional consultants to provide air service development services at LYH and the initial planned strategy for utilizing these services.
 - B. A report with regards to entering into a new long-term lease agreement with the new American Airlines.
 - C. A status report on Phase 2 of the Airfield Rehabilitation Project, construction progress, and updated project timeline.
6. Miscellaneous business
 - A. Inquiries and/or comments by Commission Members
7. Reports of airport businesses
8. Hearings of citizens upon Commission matters
9. Adjournment

**MINUTES OF
THE
LYNCHBURG REGIONAL AIRPORT COMMISSION MEETING
March 24, 2014
4:00 p.m.**

PRESENT:

Robert Day
Stewart Hobbs
Mike Davidson
Don Brown
Kimball Payne
Bert Dodson
Debra Allen
Lynch Christian

ABSENT:

Charles Nowlin

STAFF PRESENT:

Mark Courtney, Airport Director
Rick Stein, Deputy Airport Director
Wes Campbell, Airport Finance Director

(1) CALL TO ORDER:

The meeting was called to order at 4:00 p.m.

(2) APPROVAL OF March 24, 2014 CONSENT AGENDA

Mr. Hobbs confirmed that everyone had received the items from the consent agenda; the January 27, 2014 Commission Meeting Minutes, the March 2014 Air Service Update and the February 2014 Passenger Traffic Report and asked if there were any questions, comments or changes regarding the consent agenda items.

Mr. Hobbs said there being no questions or comments, he declared the Consent Agenda accepted as presented to receive and file.

(3) REPORT OF THE AIRPORT DIRECTOR

A. A report with regard to the RFP solicitation process for obtaining air service development Consulting services and planned selection time schedule

Mr. Courtney reported on the RFP solicitation process for securing air service development consulting services. Three proposals from air service consulting firms were received, all three of which were major firms with good track records of success. He expressed disappointment that Seabury, which has close ties with United, chose not to submit a proposal.

Mr. Courtney explained that he set up a review committee made up of Christine Kenney with the Chamber, Edie Swan who also is with the Chamber and who is also the coordinator for the Air Service Development Partnership, Janice Crawford, the unofficial chairman of the Air Service Development Partnership and staff. This committee will meet this Friday at 9:00 a.m. to rank the proposers. If they all qualify, the intent is to short-list all three firms over the next four years as potential consultants for air service development purposes.

He said the main purpose on Friday would be to identify and select the firm that is believed would have the best chance for securing United service, as well as selecting a consultant to help with the US Airways-American merger and transition and try to get enhanced service by US Airways. A secondary goal would be to evaluate what our options are for attracting an ultra-low-cost carrier, either Spirit or Allegiant or Frontier.

He reminded the group that Allegiant pulled out of Charlottesville in February due to poor load factors. Allegiant had started service to Florida with two flights per week in November. Mr. Courtney expressed frustration because he had met with Allegiant several times in the past and had told them that we had a stronger local market potential for Florida than Charlottesville did, and had predicted that Allegiant was not going to do that well in Charlottesville. There followed a general discussion.

B. A status report on Phase 2 of the Airfield Rehabilitation Project, construction start date, and proposed timeline/phasing.

Mr. Courtney reported that Phase 2 of the airfield rehab and apron project was scheduled to start April 21st and that a pre-construction meeting would be held on Tuesday, April 8th in the morning followed by a tenant coordination meeting at 2 o'clock in the afternoon to review the construction schedule and all of the phasing.

He gave an overview of the phasing and stated that one of the reasons for the pre-construction meeting with the contractor and tenants would be to fine tune the phasing based on reality. There ensued additional discussion.

Mr. Courtney reported that the Fiscal Year 2015 – 2020 Capital Plan would be submitted by April 1 to the FAA and to the Virginia Department of Aviation. He gave a brief overview of the projects in the plan for each year, which included the Air Traffic Control Tower replacement construction, T-hangar construction Phase 2, and a second new multi-purpose snow vehicle for FY 2015.

The following fiscal year would include Runway 4/22 parallel taxiway design and construction to match up the parallel taxiway on the airline terminal side of Runway 22 with the new connector taxiway from the Phase 2 project that is underway this Spring and Summer.

FY 2017 includes rehabilitation of the airfield lighting and installing all new electrical wiring and putting in LED Taxiway lights and ramp lights.

Mr. Courtney said the air carrier apron at the base of the Tower with tie-in Taxiways Golf and Hotel is scheduled for rehabilitation in Fiscal Year 2018, a portion of which is not AIP eligible. He explained that a component would be State funded only and the engineer's estimate is \$1.4 Million.

FY 2019 includes the construction of ramp and apron areas and site work for future construction of hangars or other facilities by the airport or others in the South General Aviation Development Area.

Mr. Courtney said that areas in the terminal were in need of refurbishment, such as the baggage handling system and the make-up area, which is slated for FY 2020.

He stated that the major Capital Projects have come from the Master Plan for the most part, and they are all on our Airport Layout Plan and approved by the FAA. He stated that Capital Plans - whether the FAA or State - were not set in stone and could be refined from year to year as needed.

C. An update on the status of current airport lease and/or franchise agreements remaining under negotiation.

Mr. Courtney said that the lease with Verizon is still in process and that Verizon's legal department is working with Walter Erwin, the City Attorney. He said we are getting \$750 per month rent for an antennae site on top of our roof. He said there are a number of locations throughout the City where Verizon would like to place antennas.

He said we are continuing negotiations and making progress with Freedom Aviation for the new hangar project and the fueling. We are working with Philips on the branded fuel and with VA Aviation trying to get the agreements together. He said Philips has gotten everything they need from Freedom Aviation as far as all of their financial information. He said when he talked with the Philips representative everything had been approved as far as the concept and having two branded Philips dealers on this airport. A new schedule has been provided for Philips to come down and review everything. There ensued additional discussion.

D. An update with regards to FY 2015 federal funding for LYH's Contract Air Traffic Control Tower.

Mr. Courtney said the Obama Administration submitted their appropriations bill for Fiscal Year 2015 that did not propose to include language directing the FAA to fund the Contract Tower Program at the full funding level of \$149 Million. He said the contract tower association coordinated a lobbying effort with all the contract towers asking them to request all of their congressional delegations to contact their respective appropriations committee (in this case the House Appropriations Committee) and urge them to restore this specific language. He went on to further discuss the issue.

(4) A report by the consulting engineer for the airport's new air traffic control tower, Nick Patterson of RS&H, on the status of the FAA environmental assessment and plans for the design and bidding phase of the project.

Mr. Courtney reported the site selection process was almost complete, and that he had reviewed the final draft of the Environmental Assessment that we are required to do. He introduced Mr. Nick Patterson, RS&H engineer, to provide a status update on the Air Traffic Control Tower.

Mr. Patterson gave a presentation and a brief update on the program and the schedule. He confirmed that we were in the Environmental Assessment stage, which has been finished for several months and is now doing the final circulation amongst all agencies concerned.

He then gave a briefing on the three sites that they had taken a look at before. He said that of the three candidate sites, Site 1 was unanimously chosen for a number of reasons. This site is on a 35-foot hill; reducing the tower height required and thus reducing costs; it is right next to the parking lot, thereby saving on the design and construction of parking; and, a number of utilities already run through the project site including water, sewer and electrical. All of these advantages will save a lot in infrastructure cost up front. He went on to further discuss the issue.

He gave an overview of the schedule. The siting study is complete, and the environmental assessment started at the end of calendar year 2013 should be completed by September due to the review time required by the various agencies. He emphasized that it was important that this preliminary work be completed by September

so the Airport could move forward with the design and bidding starting in October 2014. He reiterated that April 2015 is the goal for the start of construction.

Mr. Courtney said the challenge would be having FAA Federal funding available by an April timeframe.

Mr. Patterson gave a presentation on an air traffic control tower that his company had done in Ocala, Florida. There followed a brief discussion.

He went on to further detail and explain the issue. There followed some discussion regarding the existing beacon. A general discussion ensued.

(6) MISCELLANEOUS BUSINESS

A. Inquiries and/or comments by Commission Members.

Mr. Hobbs asked if there were any inquiries or comments by Commission Members.

Mr. Bert Dodson asked about the paying off of the Terminal, and Mr. Courtney confirmed that it was paid off.

There were no other inquiries or comments.

(7) REPORTS OF AIRPORT BUSINESSES

Mr. Hobbs asked if there were any reports of airport businesses.

There were none.

(8) HEARINGS OF CITIZENS UPON COMMISSION MATTERS

Mr. Hobbs asked if there were any questions or comments from the citizens present.

Larry _____ asked if the parallel Taxiway from the Commercial side down to Runway 4 would start at Taxiway Charlie and cross 17/35.

Mr. Courtney responded that it would and that part of the reason was because that intersection is a "hot spot", a term the FAA uses for areas where expanses of interconnecting asphalt in an airport movement area can be confusing. He went on to further detail and explain.

There were no other comments from citizens.

(9) ADJOURNMENT

There being no further business, the meeting was adjourned.

**MINUTES OF
THE
LYNCHBURG REGIONAL AIRPORT COMMISSION
SPECIAL MEETING
May 19, 2014
4:00 p.m.**

PRESENT:

Robert Day	Bert Dodson
Stewart Hobbs	Debra Allen
Mike Davidson	Lynch Christian
Don Brown	Charles Nowlin
Kimball Payne	

ABSENT:

None

STAFF PRESENT:

Mark Courtney, Airport Director
Rick Stein, Deputy Airport Director
Wes Campbell, Airport Finance Director
Jewel Williams, Supervisor Airport Administration

(1) CALL TO ORDER:

The meeting was called to order at 4:00 p.m.

(2) Consideration of a request by Virginia Aviation and Freedom Aviation to approve the assignment of Virginia Aviation's property lease to Freedom Aviation pursuant to certain required terms of a Stock Purchase Agreement for the acquisition of Virginia Aviation.

Mr. Stewart Hobbs I am going to ask Mr. Mark Courtney to start off and he would be at some point going for public comment and anyone who is going to make a public comment please state who you are and who you represent just so we will have it recorded

Mr. Kimball Payne Before the meeting gets started, I just wanted to tell the rest of the Commission that I did not intend to vote on any recommendation. Mr. Courtney and I need to be on the same page on this, so I will participate as a staff person but not as a Commission Member.

A. Staff Presentation

Mr. Mark Courtney As the agenda indicates, I have a staff presentation. I think that I will just go through some of the history. In 1986, Virginia Aviation had a prior lease that had been extended in 1991 for the original facilities that were owned or operated by Air Virginia. In 1999, Virginia Aviation was awarded a new 5-year lease with a 5-year option. In 1998/1999, Atlantic Coast Airlines, operating as United Express, had a maintenance operation/facility at the former Air Virginia airline facility [current Freedom leasehold] and they subsequently moved their operation to Dulles, and from that time we went through a process of renovating and basically cleaning up the airline maintenance facility and making it available and showable for leasing out.

In February 2002, Britannia Aviation, through part of a competitive bid process, was awarded a 5-year lease with a 5-year option through a competitive bid process that was subsequently approved by City Council. Those who were here at the time will remember that was not without a certain amount of controversy.

In September of 2003, City Council approved the assignment of the Britannia Aviation lease to Aviation Technical Services [same ownership].

In February of 2004, City Council approved the assignment of the ATS lease to Falwell Aviation. In January 2005, City Council approved a lease amendment allowing Falwell Aviation to operate as an FBO, with restrictions (per December 6, 2004 letter, limiting airline and all retail fuel sales). In April 2007, Falwell Aviation was awarded a 2nd 5-year option. In July 2007, Falwell Aviation was awarded a 20-year franchise (Based on Falwell Aviation's investment in a new 13,000 SF hangar).

In July of 2008, Virginia Aviation was awarded a new 5-year option lease by City Council, without a competitive bid process, and it was approved concurrent with the unique 3-party lease agreement among the airport, Virginia Aviation

and Falwell Aviation for the sharing of the fuel farm. That was specifically designed to allow two FBOs to operate and share those facilities equally.

In January 2010, Falwell Aviation was acquired by Liberty University as a subsidiary, d/b/a Freedom Aviation.

In February 2010, Virginia Aviation experienced the loss of their president, Mr. Jim Lampman, and Steve Cuppy was not only named interim president of Virginia Aviation, but he was also the executor of Mr. Lampman's will. Mr. Cuppy proceeded over time to pursue the sale of Virginia Aviation, and in February 2011 Virginia Aviation was sold to Mr. Jim Walker, the current owner.

In July of 2013, Virginia Aviation exercised its 5-year option following negotiations with the airport. City Council approved, but in order to ensure the competitive FBO environment would continue previous assignment language was removed, and two new provisions were inserted into the 5-year lease option [generally as follows]: (1) Previous assignment language was replaced with a prohibition on any assignment; and (2) The lease would automatically terminate in the event of a sale.

In October of 2013, Freedom Aviation requested City Council to amend their franchise agreement to remove the prohibition on airline fueling (at this time that request is still tabled pending further progress on other issues). In the Fall of 2013, Freedom Aviation and Airport officials entered into formal negotiations for a 73,041 SF land lease to allow Freedom Aviation to build a new 14,250 square-foot hangar and adjoining apron that is primarily for the storage of aircraft (their additional apron area also is adjacent and adjoins with the new concrete ramp that was recently installed). Currently, there are [also] various and ongoing negotiations to secure the ability of Freedom to operate as a branded fuel dealer at Lynchburg Regional Airport. That has made quite a bit of progress, and it is in the hands of Freedom Aviation as far as final details with Philips, the selected [fuel] dealer/provider.

April 14, 2014 — We go back to last month and it brings us up-to-date as far as the request for the assignment. In essence, on behalf of their respective clients (both Virginia Aviation and Freedom Aviation), legal counsel requested that the City of Lynchburg approve the assignment of the lease from Virginia Aviation to Freedom Aviation according to the terms and conditions of the Stock Purchase Agreement they both entered into. I will show a slide of the current leaseholds of both Virginia Aviation and Freedom Aviation. If this were to go through, that [would be] the combined leasehold of both Virginia Aviation and Freedom Aviation.

The guiding principle that the airport has operated under, certainly since Britannia, but more specifically since the time that Falwell Aviation started into the FBO business, is to preserve and maintain an existing balanced FBO competition model that was established back when Falwell Aviation was in their limited FBO status.

Certainly the goal is to maximize airport revenues -- and a certain part of our mission of the airport, and goal for the airport, is to eliminate the airport subsidy. We are actually down to under \$200,000 now in our airport operating subsidy, and we are projecting Fiscal Year 2015 [to be] \$152,000 in subsidy, and we anticipate break even in the following Fiscal Year (2016).

To adhere to the Lynchburg Regional Airport Mission - and this is a key element - the airport shall endeavor to provide a full range of quality aeronautical services (and we certainly provide them to a wide range of aviation users). We shall be customer service focused, emphasize safety continuously, be financially responsible, and maintain a competitive airport business environment while at all times operating in the public interest. That was established in November 2012 by the Commission.

There is some FAA exclusive rights guidance from the Advisory Circular dealing with our Sponsor Assurances and the prohibition on exclusive rights. This is not directly applicable in this specific case; however, it does give guidance to the sponsor being the owner of the airport, that a sponsor refusing to permit a single FBO to expand based on the sponsor's desire to open the airport to competition is not violation of any grant assurances. Also, an airport sponsor may exclude an incumbent FBO from participating under competitive solicitation in order to bring a second FBO onto the airport to create a more competitive environment (and that is essentially because of the fact that the FAA does default to a pro-competition bias).

The guiding principles in a proposal like this are: what is the public benefit; what is the airport benefit; and change in the FBO rent valuation from a competitive to a monopoly model? Some of the consumer concerns that we have heard, and also some other relevant issues, are that it would clearly establish a monopoly without the possibility for FBO competition, and would increase prices, (something you definitely hear from aviation users, airport users, based customers, etc.). It would create impenetrable barriers to entry for future FBO competition, and would basically lockout any future potential for another FBO to come in because of the extraordinarily high cost of being able to build new facilities.

It could force existing based customers off the airport under certain circumstances, could force existing subtenants of Virginia Aviation off the airport, specifically some of the SASOs, (for example, Virginia Aviation's Part 141 flight school operator that allows them [Virginia Aviation] to meet their minimum operating standards), and would eliminate competitive maintenance services. And all of this also brings into question the status and the future of the fuel farm

that was originally established with a 5-year/5-year option on a sharing basis (and that is continuing now as a month-to-month pending and awaiting other resolution).

I will stop at this point. I have some other slides if there are some other questions that come up that are relevant, but we can move on now to the next speaker.

B. Virginia Aviation and Freedom Aviation presentations

Mr. Hobbs

Is there someone to speak for either or both?

Mr. Jimmy Walker

I am the owner of Virginia Aviation, a short-term owner but a long-term aviation customer of the field. I bought a bankrupt business and got it on its feet, but it had been about Mr. Jim Lampman, the former owner of Virginia Aviation and Mr. Jimmy Falwell recognizing that it was a small field and there was a delicate balance for an FBO to make it work here. They came to an agreement, and the agreement was that really it was a monopoly: there was to be no retail fueling of transient aircraft other than at Virginia Aviation, there was to be no commercial airline fueling other than at Virginia Aviation, and Mr. Falwell was just going to operate his charter business out of there and do a couple of other little odds and ends that were not on a competitive basis.

When Mr. Falwell sold the business to Liberty, that changed and there have been little things that have changed over time. The fuel farm is one of them, the retail transient fueling (I do not know that that ever actually existed, that is in the lease and it is actually prohibited but it was happening). As we have seen, there was a proposal for competitive airline fueling. The long and the short of it is, it's a small market, it's a small field and there is room for one FBO, and one FBO it has been under the Falwell Aviation/Virginia Aviation model.

That has changed and it is difficult to compete under these circumstances. If the two businesses become one you have one stronger business with an owner that is willing to invest. There is only so much that I can invest in the business when I only have a 4-year lease. I asked for a 5-year lease with a 5-year extension and it was denied, so how much can I do? I could spend \$250,000 and maybe get a 10-year franchise or a 15-year franchise, but a guy that is 65-years old is reluctant to do things like that so this is a chance for me to ensure that my people are taken care of, that's part of the deal and that the business can continue for them.

It is not a lucrative deal for me, but I do not want the business to just end in 4 years when my lease is up, and I do not have any assurance that the lease would be renewed. This is a chance for me to do the right thing for what I believe is best for the community, because Freedom is a partner that could invest, and [is] best for my employees and my customers. I understand that there is a difference of opinion on that, and I respect that, but at the end of the day if, little by little, it goes away at the end of 4 years there is nothing left. This is a chance for me to have something to share before it goes away entirely.

Just to counter Mr. Courtney's points, I do not recall the title but it was preserved balance competition, the balanced competition really never existed under the Falwell Aviation/Virginia Aviation model, there was no balanced competition because Mr. Falwell was prohibited from commercial airline fueling and he was prohibited from retail transient fueling. A monopoly on a government sponsored entity is very controllable. I do not see that we had \$15 Jet A here because there is one provider, and I would assume that the City could control that in a number of different ways. The idea that customers would be concerned that there would be no place to shop is a legitimate concern, but Mr. Courtney has explained to me that they had ways of controlling how fuel is sold and what it is sold for.

The forcing of SML off the field I think is a concern, and it is a concern for me, and I have spoken with the owner of SML about that, and his sense in discussing it with Mr. Young is that [it] is not part of their plan, and he would not be surprised if they were not willing to give a long-term lease to SML. Competitive maintenance services: Mr. Jason Moorefield would probably be better to speak to this than I am. They do not do a lot of bidding one against the other for maintenance service -- they have their customers and Mr. Moorefield has had them for years and they love him, and if Mr. Moorefield moved from here to Rustburg, I think they would go with him. As to the status of the fuel farm, I really do not know what the status of the fuel farm is; it is kind of up in the air. I know that from the beginning of Virginia Aviation, we controlled the fuel farm, but we do not anymore and that is just another one of those things that makes me wonder if at the end of 4 years I would have anything left.

Mr. Dave Young

I am currently the president of Freedom Aviation and the Dean of the School of Aeronautics at Liberty University. I have been in aviation almost 50 years, 29 years in the military, and since I came here to Lynchburg I have been flying out of this airport, Falwell Airport and many airports around this area. In addition to that I am very pro-general aviation. I serve on the Virginia Aviation Board as a regional representative for this area, I am the vice president of the Virginia Aviation Business Association, and I am a Board Member of the Virginia Aviation Historical Society. I only mention that, not to brag or boost my image, but perhaps to demonstrate that I have a vital interest in aviation, not only in the local area but in the Commonwealth.

I would like to just echo to a certain extent what Mr. Walker said, but perhaps come at it from a little different perspective which is my own. I will solidly endorse that there is not enough business on this airport for two FBOs, and regardless of any feelings or thoughts about that I think that there are models all over this country that would

substantiate that. For example, if you just go up the road to Charlottesville or go a little west to Roanoke, or even down a little southwest to Charlotte, none of those airports have two FBOs, they have one FBO.

It is very easy to say that they are different airports, which they are. For example, there are over a half million operations every year out of there and the majority of those are commercial operations, about 62%. The remainder are general aviation operations. If you go to Roanoke you are going to find a different mix, if you go to Charlottesville you are going to find a different mix, but it has been proven there and many other locations that two FBOs operating on the same airport, it is a tough row to hoe and that is what Mr. Walker mentioned a few minutes ago.

Not only has it been a difficult challenge for both FBOs here, we have literally lost business to this airport because of the existing arrangement. There are customers who would like to do business with Virginia Aviation, we have customers who would like to do business with Freedom Aviation, but they want a one-stop shop. Virginia Aviation has one of the best, if not the best, avionics shops in this state and probably this part of the country, but when someone has a \$4 or \$5 million aircraft and they bring it to them, and they want aircraft maintenance done on it, and they want avionics maintenance done on it, they generally do not like to deal with one FBO and so literally both of us have lost business as a result of that.

Going forward we are asking today that the Stock Purchase Agreement between Freedom and Virginia Aviation..., the point on the table is will the lease be assigned or not assigned with a purchase. That is absolutely critical to us at Freedom Aviation, without that it does not make sense, without that it would not make sense to any FBO that were to come in here.

Now, what will we do going forward. My heart is in general aviation and it has been for almost 20 years, and my heart is in developing this airport and developing aviation in the Commonwealth of Virginia. I think the best opportunity for us to do that is the request that we have on the table today. I think our best years are ahead of us here at Lynchburg Airport; I think there are opportunities for growth that do not exist right now; I think there are customers that do not come to Lynchburg Airport because they have the alternative to go somewhere else and they cannot get the service that they want here. So I think growth is definitely an opportunity that we are not realizing to its fullest extent.

When we look at the facilities on the airport, they range from fairly new facilities to facilities that were built in World War II, the old green, what I call Quonset, hangars over there. They need to be razed, they need to be torn down and new facilities be put up, and that is what we bring to the table if we are given the opportunity to expand our operation where we put hangars on the airport [and that] is very critical to us.

It is very congested, if you are familiar with the airport and you saw what Mr. Courtney showed a few moments ago, it is very congested where we operate out of now. Centra Health is flying their helicopter, the State Police are flying their helicopter, we are flying thousands of operations a year with our flight training, we have transient traffic, we have T-hangar traffic down there, and in fact it comes close to being a safety hazard. For us to expand and expand in that area doesn't make sense to me. I think we need to diversify across the airport and that is very hard for us to do under the current arrangement with two FBOs. We would see maximizing the existing facilities, we would see constructing new facilities, and we would see tearing down those facilities that we really don't need on this airport anymore.

I think it is very difficult for the airport administration to deal with two FBOs. One FBO brings one single point of contact, brings one single point of contact to the City, brings one single point of contact for general aviation. Why should we compete internally on this airport when we should be competing regionally? We do not compete regionally, we do not compete regionally with fuel, with services, with transient service, and I think that is an opportunity that we are losing the way we are operating today.

Just this week I had four different discussions on events for this airport. We were asked if we would host the National Collegiate Flying Competition here in 2016. Now what does that mean? It means about 50 – 75 airplanes on the airport for a week; it means over 500 participants and support people here staying in the hotels, eating in the restaurants, buying fuel. I answered 'I did not know,' because under the current arrangement I did not know if we could support that.

The FAA was here Thursday of last week asking if we would host an event, and host it every year, that is now currently being hosted in Richmond because they see a better opportunity and a more successful operation if they were to do it here.

This Saturday -- and for any of you ladies who have young girls or daughters in your families -- we are hosting Women Can Fly which encourages young people, some of you I see in the audience, some of you people fly in support of that, you did last year. When the phone rang, and they asked would we be able to host it in Lynchburg, they called Freedom Aviation and they stepped up. And on the 6th of June, for those of you who are aware of the D-Day Memorial in Bedford, it is going to be the 70th Commemoration of that invasion in Normandy, and they had arranged for airplanes to fly in that ceremony including the Army's Golden Knights. Again, a single point of contact, one FBO, serve them fuel, orchestrate their arrivals and departures, and to coordinate that for them would be very helpful.

Another thing that I think is critical: airports are measured in many ways (and Mr. Courtney knows much more about this than I do), but one way they are measured is the number of operations that they have, and I will tell you that

Lynchburg ranks very high across the Commonwealth and across the nation. One of those reasons is because of the flight training activity here and so this will allow us to grow even more. The more operations you have, the more funding you are eligible for; the more justification you have for keeping Control Towers open and the more justification you have for additional support.

I wanted to talk about some of the trepidations, and I will come back to the items that Mr. Courtney had on the screen a few moments ago. We hear about the loss of jobs if this were to occur. I would very strongly argue in a different mode. If you create more business, and you build more facilities, and you sell more fuel, and you bring more industry to this airport and around this airport, then it goes to say more jobs will be created.

I could tell you that we have had that opportunity since [we] purchased Falwell Aviation a little over 4 years ago. There were possibly 20 employees of the company at that time and they had been able to increase to over 50 employees because of the level of business that they had been able to create.

There are concerns about pricing, there are concerns about fuel prices going up. There is no way we could raise fuel by a dollar or 2 dollars or 3 dollars a gallon, and the reason why was, first of all, we would price ourselves right out of the market. We want to bring business in here, not drive business away. I am an aircraft owner, I have owned aircraft for over 10 or 12 years now. I fly out of this airport, I buy fuel and I buy it at the same price that any based customer here buys it. So it would be not only my own personal interest, but most certainly from a competitive interest, that we are not going to try and sell fuel at prices you pay for it at Dulles, and the reason you don't go to Dulles in a private airplane is because you do not want to have to pay that fuel price unless someone else is paying for it if you are a corporate aircraft.

An item that has not been mentioned, that I solidly endorse, are the efforts that have been made in promoting commercial air service out of this airport. Mr. Courtney briefed the Chamber of Commerce meeting the other day saying that 33% of the customers that fly on US Airways out of here are Liberty University-associated customers and personnel. I wish that we had two more airlines...three more airlines...four more airlines in here, simply because not only do I travel personally by commercial air, but it just makes good business sense.

One of the ways that we can do that is to build up a need for that service. I believe that any time you grow a business you are going to do that. Another thing I am mentioning in conjunction with commercial air service is that we are a one-airline town, and we are one airline away from not having airline service here, we are probably one airline away from having two airlines here but we had two here just a few years ago and due to a last minute sort of thing we are down to one airline. There is nothing that guarantees that we are going to keep airline service here, there is nothing that guarantees we are going to have two airlines here. I had hoped that we had three or four airlines here but what I will say is if we are investing in the future of this airport, it should not just be tailored to airline service. We should do everything that we possibly can to build a total portfolio of what we have on this airport and we see the opportunities to do that.

Now, Jenna throw me my prop [she threw him a small stuffed elephant]. We have a weekly staff meeting at Freedom Aviation School of Aeronautics. This is Eddie, and Eddie is an elephant, and there is an elephant in this room that I do not think anyone really wants to address, and it is simply this: There is this fear, this trepidation, that all Liberty University wants to do is take over this airport. That could not be further from the truth. We are interested in increasing our business at Freedom, we are interested in increasing the growth or [accelerating] growth, getting more students in Liberty University, and by creating an environment where they can offer students more than just flight training, more than just unmanned aerial systems, more than what they are getting right now. And that will only serve to feed their growth and create an aviation center of excellence here at the Lynchburg Airport which does not exist anywhere else in the country.

I would like to address, if I have not already, some of Mr. Courtney's points. Some of the concerns of the public, monopoly, I think that I have already addressed that. There is a monopoly at Charlotte, there is a monopoly at Roanoke, there is a monopoly at Charlottesville if you want to define it that way. But I do not see it that way. I do not see it as a monopoly. I see it as a partnership between an FBO, between a business and the airport and a community to create business, and to provide the service that you need regardless of whether you are a pilot or a passenger.

I have already addressed the fear about rising prices. I just do not see that happening because we could not remain competitive, it would be stupid for us to do that. Future FBO competition, yes, that probably is a concern. But then are we going to get back into the ball game where we have two FBOs and neither one of them will have enough business to really operate?

Force customers off the field? Why in the heck would anyone in their right mind want to force customers off the field if they are bringing money into your business? That is the stupidest thing I have ever heard. I don't know if one of you all said that, but if you did I apologize for calling you stupid, but my point is we are about growing business; we are about building more facilities; we are about having more airplanes on the airfield. Why? We want airplanes, we want to have hangar space for them, we want to charge hangar rent, we want to sell fuel, we want to provide maintenance service - why would we force anybody off the field?

Sub-tenants that Virginia Aviation has -- I am aware of a couple. One is the flight school, and I can tell you right now that Freedom Aviation has its own flight school (and for those who are familiar with FAA nomenclature, it is a Part 141 Certified Flight School, a Cessna Pilot Center). We are maxed out with the number of students and the need for resources...the need for facilities...the need for airplanes to fly that. One of the very first things we would do is entertain a conversation with that existing flight school because we need resources, we need experienced flight instructors.

Eliminate the MRO. Now, some of you may not know exactly what an MRO is: It is maintenance, repair and overhaul facility. Last year, the City commissioned a study asking what we would have to do to create jobs, opportunities for more jobs in the Lynchburg area. Does anybody know what the number one recommendation was? It was to create an MRO. And do you know where that idea came from? That idea came from the fact that Freedom Aviation is already refurbishing aircraft; we have been doing it for several years. Those old Jetstream Aircraft that Mr. Courtney alluded to a few moments ago that used to be down on the South end of the ramp, we are refurbishing those aircraft, it is a business model for us. Do you know where we are limited? We have airplanes across the country that we could bring in here, and do the same thing with, but we do not have the space for it. We do not have the personnel to support it, and we cannot create the space under our existing leasehold.

The status of the fuel farm, I think that, personally, is because if you have one FBO here, that FBO, like Virginia Aviation, does now and will manage and support that fuel farm.

I hope I have addressed the direction in which I see us going if this were to occur, and by us I mean Freedom Aviation. I hope I have addressed the aspect of customer service, and we are committed to general aviation, we are committed to supporting our customers to the very utmost, and I trust that I have addressed the elephant in the room because I think that is something that is probably on some people's minds. So the bottom line in my opinion is simply this: We have someone who wants to sell their business, we have a buyer for that business. I believe the best option is one FBO, as long as the lease assignment accompanies that. Thank you.

C. Public Comment Period

Stewart Hobbs

Now we have reached the Public Comment period. Are there members [of the public] here who would like to comment? Just come up here and speak through the microphone so everybody can hear you.

Joe Morales

Afternoon. I am an employee with SML Aviation and a Liberty graduate, year 2013 of the School of Aeronautics. I am not an expert on this subject at all, except I love flying airplanes. One of the things that I really wanted to come to this meeting for is competition is always better, free market is always better, and that is what this country is based on. You kept mentioning, hearing over and over, that these nearby airports have fuel prices that are working out great for them. Here at Lynchburg, where we have the two FBOs competing for fuel prices, we are \$1.11 cheaper on fuel than Charlottesville is, \$1.16 per gallon less than what Roanoke is, and we are 4 cents cheaper than Charlotte is. Now those were the three examples that were used showing that one FBO can work, yet I know several people, just from the short time I have worked at the general aviation ramp over here, that have come here and said, yes, fuel prices are better here.

You can get on *Foreflight*, which is on Apple iPad, and it will quote you a fuel price which is what I just did. We have two FBOs, and fuel prices are over a dollar cheaper. Was it a coincidence? I don't know. It might just be because we have a better supplier, but their excuse saying that as a government council we can limit the pricing put on fuel.... I am not one for putting more control into the government's hands. We can look at the federal government and see what that does. Free market is the best way to go, and that is the best way to help the customers and businesses grow.

Another question that I would have is: If Freedom were to purchase everybody, who would their employees be? Would they be Freedom or would they be Liberty employees? Would they have to follow Liberty's rules and guidelines and their discrimination rules? It says right on their HR page that because of the organization that they are, they can ask you about your religion, they can ask you about your belief in homosexuality, they can ask you about all this different stuff and choose not to hire you based on that because it is a religious organization. Great, but if that is a private organization, let them do it. But for the people that are already working for Virginia Aviation, are they going to fall subject to these rules, and are they going to have to go home to their families and say we don't go to church every day so I don't have a job anymore? That would be something else I would want answered as an employee, not necessarily for Virginia Aviation, but for a subsidiary of that aviation company.

Stewart Hobbs

Anyone else?

Mark Briers

I am a pilot, an owner, a 30-year resident of the area. I have watched Liberty Baptist College grow up to be Liberty University and they have done a great job. My children have attended Liberty University and I have done my flight training there.

I completely respect Dave Young's opinion and his vision, but I would argue that this isn't a typical airport. Anyone that flies general aviation in this area, at this airport, during the time period that Liberty's flight school is active, knows that this is not typical. In comparison to Roanoke and Charlottesville, they don't have a flight school which -- hats off

to Dave -- has generated a very vibrant and growing environment, but it is not the same. This airport is different than others, and I have flown across a lot of places in this country, and this airport is different than others.

I am glad that the Airport Commission has a competitive environment as part of their charter. My concern is mainly priorities. What is Freedom's priority going to be toward general aviation? Their priority, in my opinion should be, and probably is, the flight school. That is what has gotten them where they are, and that is what is paying the bills.

As a general aviation pilot, my concern is how am I going to get fuel...how am I going to get repairs... and where do I sit in the pecking order. We already deal with being different than commercial, now we are going to be below the flight school, and we are going to be at least third on the list, if not somewhere further down, so that is my concern. I wish you guys would look at the consideration; what is the priority and what can we do to keep general aviation to not be third or fourth on the list.

The second thing is about fuel. As other people that have flown around this area know, it [LYH] does not have self-serve fuel. Brookneal does have it. It was cheaper to fly to Brookneal to fill-up, and that is no longer the case. It would help general aviation if we could get self-serve fueling and those are my concerns.

Stewart Hobbs

Is there anyone else with comments?

John Wolfard

I am an aircraft owner and I also live in the City. My concern would be that as Mr. Young [wants to be] able to expand the hangar space to help bring in more planes, and more CFIs and more individuals to be able to bring in more customers. I would ask the question, who are those customers? Are those other customers GA pilots, or are they more Liberty University students? By all means, it is a great program that they have there, but I would ask the question if they are going to tear down the hangar space, where are general aviation planes going to go? How are they going to be able to have those on the ramp...how are they going to be able to facilitate those different _____ that are rampant today...how are they going to have access to the airport if it is a monopoly environment with a tremendous [increase in] Liberty University students?

I went to Liberty University, and I am a proponent for the school, but I think at the same time that we have to make sure that we have clear separation between what the University is doing, and what the City is doing to promote general business. Just not by growing Liberty University as an organization, but by growing the entire entrepreneurial spirit of the area, and that is not going to be a monopoly environment.

Stewart Hobbs

Is there anyone else with comments? If there is nobody else, then I want to offer the chance to rebut, so if there is no-one else then....

Dave Young

I appreciate the comments, and I do not see it as a rebuttal but more of explaining and putting people at ease. In regard to the employee question, obviously we would be in trouble if we discriminated on hiring so we do not do that, and secondly Freedom Aviation is a for-profit, standalone company and we have standards that we set. We measure our employees as much as anything on performance, and the right attitude, and being able to provide the very best customer service, and being the best mechanics, and the best pilots they can possibly be. I would not take that so far as to say that we would tolerate misbehavior, or we were going to tolerate inadequate performance, or we were going to tolerate things that would not be acceptable in any company. I think you could ask any one of our Freedom Aviation employees -- I think there are two or three in the audience -- their position on that.

Some of the points that Mr. Courtney made, I think if I copied them correctly, are the expansion of the flight school and what that does to the traffic pattern. And I would be less than forthright if I did not tell that we have a very busy traffic pattern here, we all know that.

I fly in and out of this airport quite frequently. Now having said that, obviously because of that busyness it brings business...it brings support...it brings funding...it brings things to this airport that we would not have, for example a control tower. Last year, and I think everyone is familiar with the fact that our control tower was at risk due to the sequestration within the federal government, one of the justifying factors for having a control tower is the number of operations.

Having said that, some of you are aware of the fact that we are starting to expand beyond Lynchburg with our flight operations. We already have an operation in Newport News and we are about to open four in Northern Virginia. We are expanding beyond that into other states and the reason for that is probably twofold: one, it is reaching a market that we can't bring to Lynchburg; and, secondly is being able to support that market because we know full well that we can only handle so many students at this airport. Now having said that, if this were to go forward, we have looked at airports in the local area. We have looked at expanding our operations beyond the Lynchburg Airport -- and I think there are some opportunities to do that -- but we are fully aware of the traffic pattern congestion at some times.

My hat is off to our tower control operators here for the great job that they do with it. I fly in and out of airports all over this country as some of you do. I go into uncontrolled fields, I go into class B airfields and experience the extremes of both, and I personally enjoy it when I have a tower that I can work with because of the safety factor that it provides. On top of that, I enjoy the fact that when I do come into an airport, because of the level of business I have, the

support services that I need [are there]. It is an awful feeling when you go into a small airfield and you pump your own gas and one of your engines won't start, and there is nobody there that can help you with that. I think there are some great benefits to being able to have a busy airport to a certain extent, but I am fully aware of the concerns and we are right now monitoring and measuring out _____ simply because of that factor.

As far as priorities -- general aviation and the flight school -- we deal with that on a day-to-day basis and I think they did it quite well, but that is my perspective. I have many general aviation customers that have no association with the flight school...for maintenance...for fuel...for hangar...for a variety of reasons, and so far, we have been able to balance that and that is part of our business model. We would not want to do this if we were not going to increase that business model. We see the support of general aviation, whether it is Citation jets or Cessna 172s, or even less than that as our customer.

I am not sure if it was Mr. Courtney, but someone mentioned the Smith Mountain Lake Flight School. I think I have already addressed that -- that is the one that is operating under a sublease with Virginia Aviation now.

Self-serve fuel, that is an option that I know the airport has looked at. In fact, I think the airport director, several years ago, commissioned a study with members of the Airport Commission. I think that would be something that anyone of them would be open to, but it has to make financial sense. Somebody has got to pay for those tanks, and somebody has got to pay for those credit card readers and things like that, but it is definitely something that we would be open to. I think the Brookneal self-service fuel is supported by Virginia Aviation right now, and that is something that we would definitely look at as we go forward.

As far as hangar space, that is part of our model, we want to build not only to support our current operations but to support our hangar customers, whoever they may be. Right now, I think we are renting about nine or ten spaces from Virginia Aviation to hangar our aircraft; but, the point I want to make is our flight school aircraft quite often spend the night on the ramp because we are putting based customers, transient customers and someone who needs hangar covering in the hangar and our airplanes sit outside so that is the kind of choice we make today.

I hope I have addressed all of the questions that came up.

Stewart Hobbs

We have three parties to this agreement, Virginia Aviation, Freedom Aviation and the City of Lynchburg. Mr. Courtney do you and the City Manager have a position that you want to address before I open it.....

Mark Courtney

If I could address some of the... rebut some of the statements.

Stewart Hobbs

Yes, you may.

Mark Courtney

On the issue that Mr. Young brought up relative to opportunities for [growth] not being fully realized, as the Commission is well aware our Master Plan has identified a number of very excellent sites on this airport for growth. We currently are negotiating with Freedom Aviation for one of those spaces. In fact, we just completed a \$1.2 million concrete ramp project that is in the process of being expanded as part of the relocation and realignment of our taxiways along with an extension of that same apron to the tune of \$4.6 million.

That is all for aeronautical purposes and aviation services, and the infrastructure on this airport to allow for the expansion of Liberty University and their flight training programs, particularly from the standpoint of building additional facilities. You may recall that some years back one of our prime sites that adjoins Runway 17 [is] a 12-acre site on Airport Road. We actually got to the point, based on Liberty University's interest in a flight operations center there and needed that much space, that we ended up actually going forward with a \$30,000 environmental assessment. Before that environmental assessment was done, due to other plans that were made by Liberty for other facilities off airport, that has not gone forward. Dave did acknowledge that Liberty sees this going forward sometime in the future, although it is not known exactly when.

When it comes to the capital investment and opportunities on this airport, in the last dozen or so years nearly \$40 million in capital grant funds, both federal and state, have been invested in infrastructure and airfield improvements at this airport. There has certainly been ample opportunity for Liberty to grow without having to take over existing facilities or existing FBOs.

In terms of special events, again, that may be something in the short-term that is constrained, but clearly from the standpoint of both the new concrete ramp, as well as the \$4.6 million expansion we have underway right now that will be done by the Fall, that will clearly make for tremendous additional infrastructure and capacity for those kind of special events.

I just want to also clarify what Dave [stated earlier] that when I was speaking at the Chamber the other day 30% of our airline customers were Liberty University customers. I was referring to an International Survey that was done back in 2012, and of the total of 6,000 tickets that were analyzed among the three dozen or so companies that participated in that survey to project how much international business they would generate in the future, the result was 33% of Liberty-generated traffic for international purposes on a projected basis. So it was nowhere close to that in terms of actual Liberty students or users of the airport.

As far as only one airline, I am sure you are very well aware we have gone from six or seven major airlines in this country (with the most recent merger being US Airways acquiring American), down to three airlines. Roanoke used to have six, they are down to three; we had three, and we are down to one. It is called consolidation, and one could argue that we actually have two airlines now if you combined US Airways with American. And, the fact that the combined airline is now the largest airline in the world, and commands nearly a 30% market share compared to the 28% or so for United, Continental and Delta (each). So believe me, having the level of service that we do, and the successful service that generates load factors that averaged 78% [during] all of 2013 [while] generating (per 50 seat aircraft) higher revenue per flight than Roanoke and significantly higher than Charlottesville [is encouraging].

US Airways is very happy with us and we are looking for expansion. Yes, we would like to get United, but they are in a bit of disarray still. But nonetheless, we have good, solid air service right now and we have every intention of keeping that. I do not see any threat as far as this airport is concerned to lose all airline service, especially when we have the largest [airline] in the country.

And finally, one of the reasons we focus on commercial airlines is the fact that we operate under a commercial service airport business model. [Some] 85% of our revenues are derived as a result of airline service, whether it is parking lot, rental cars or the airline itself. I just want to show you [refers to slide], this is based on FY 2013 and [represents] the revenues that the airport generated. We have approximately a \$3 million operating budget and, based on revenues, this is how it breaks down and includes the airport operating and capital fund. You can see our largest source of revenue is from FAA [AIP] grant funding, with the Virginia Department of Aviation (in terms of entitlement funds) being next at \$612,000. US Airways, followed by Republic Parking, then followed by our subsidy at \$336,000. Hertz Rental Car alone generates \$288,000 in revenue directly to the airport. Next are Virginia Aviation and Freedom Aviation in terms of their contributions, Avis and Budget fall into place and it goes down from there.

This is no way a criticism of Liberty University's business model...it is an excellent business model. Their flight training program is the envy of many universities around the country, even long established ones. It is growing in leaps and bounds. It's just that it's a part of their FBO and university flight training business model. There is nothing wrong with that, it is just that that business model does not fit very well with a commercial service airport business model from the perspective of generating [airport] revenue. That is why we concentrate so much on commercial air service; we have \$3 million in expenses that we have to pay for around here every year, and believe me, that parking lot right out there and the rental car business is what pays the bills, and that is why we emphasize that so much.

One final minor thing. It is very important the number of operations that we have this year. Last year we finished with 115,000. Through federal fiscal year 2013 it was 125,000, and we are projecting 132,000 operations this year. Those number of operations actually makes Lynchburg Regional Airport the third busiest airport in the State, as a matter of fact.

Among the 515 Contract FAA Towers in the country, we are ranked 128 in terms of [operations], so yes, we [have] a busy...a very busy, traffic pattern. But when it comes to grant funding, all of our grant funding that we receive from the FAA is a direct result of federal entitlement funds as a commercial service airport, [and is] based on airline passengers. And all of our State grant funds are entitlement funds that are generated solely because of being a commercial service airport and, again, that is also based on a formula for enplaned [airline] passengers So it gives you an idea of how critical...when it comes to our total budget, our total revenues, capital and operating at \$5.4 million...of how important that airline service is.

(3) Commission deliberation and requested action:

Stewart Hobbs	We have come to Commission deliberation and action so I open it up to the Commission Members. Questions, comments?
Lynch Christian	I would like more time to consider the issue. Do we need to decide today? This is a very complicated issue
Stewart Hobbs	I would think everybody would like a decision today; we can certainly defer it, but I'm not sure....
Lynch Christian	I find it very complicated; there are lots of issues being raised here today and I am not sure where I stand. I would sure, from a personal standpoint, like some time to think about it.
Bert Dodson	Mr. Chairman, I totally agree with Mr. Lynch Christian. This is a very difficult decision. You and I were on City Council in 1998 when the City was subsidizing \$750,000 a year [for the airport], and we have gone down. We are the only municipal airport in the State of Virginia that has commercial service that is run by [a] city. All the other locations -- Charlottesville, Richmond, Roanoke, whatever -- are authorities, and that is a whole different animal. Hopefully, one day we will be an authority.

I know that some people want to go on and make a decision, but spending 12 years on Council, I am glad to have the City Attorney here and the City Manager [because] there are a number of questions, [and] we are not the decision making body. We make recommendations to City Council, but I can assure you that City Council Members will really

take the words spoken at this Commission Meeting -- and from the different Commission Members -- to heart when they make the decision in relation to the issue before us.

- Stewart Hobbs Is that a motion that we defer action?
- Bert Dodson I move to defer action to our next Commission Meeting, which is pretty soon, June 16, 2014.
- Bob Day I'll second it.
- Stewart Hobbs All in favor...
- Kim Payne Can we have some discussion on that motion?
- Stewart Hobbs Yes, we can.
- Kim Payne I guess if this is going to be delayed, it would be helpful if the staff understood what sort of information you need in order to consider and make a decision. I would like to know what other issues you would like to.....
- Bert Dodson Since I made the motion, Mr. City Manager. Mr. Bob Day, in an email April 29, 2014, had a bunch of questions in relation to the issue for our City Attorney. This is the first time the City Attorney is here. The other issues that we have, it is a lot of different information given here over the last hour. Mark says one thing, Mr. Young says another thing, so we can find out what is common ground here. We are the members of this Commission, appointed by City Council, we are the _____ of the City taxpayer dollars. And the County representatives, with all due respect, although Campbell County gets the Personal Property tax from [the airport], [City] taxpayers have been supporting this for many years and the decision we make today is going to impact this airport for many years to come, so that is my answer to you Mr. City Manager.
- Stewart Hobbs I did not hear any specific direction for you, Mr. Payne
- Kim Payne I heard that you would like the questions that Mr. Day asked addressed by either staff or the City Attorney. [We should present this] information to this group, so this group can deliberate and come to a decision. I don't know what you would gain by putting this off for 2 or 3 weeks unless you want more information. That is really my question.
- Don Brown What I would like to see are some comments that would be directed to the Commission from the users on the airport today. There are a lot of customers at Freedom, there are a lot of customers at Virginia Aviation. I would like to get their opinions on what they see so that we can forward that information to Kimball and the Commission so that maybe a decision can be made.
- The other thing is that I think we need to come to grips with who is going to manage the day-to-day operation of this airport now, five years from now, ten years from now. Is it going to be an entity that is leasing all of the facilities, or is it going to be the municipality? I think that is something that we need to think about as we move along. I think that decision has to be thought about.
- Bob Day One of the things that I have not heard about this afternoon is what are the benefits to the City? I have heard about the benefits to Freedom Aviation...I have heard about the benefits to Virginia Aviation...but, this is a City Airport and there hasn't been any that I have picked up in the arguments that have been given as to how this is going to benefit the City. I need to think some more about that because this is going to be a very critical decision for the City to make, to give up all of its facilities to Freedom. It basically only has two parts to play, as the facilities and the fuel farm.
- Stewart Hobbs The fuel farm is not included, and I don't know where the fuel farm status is other than a day-to-day basis, month-to-month, but it is not included in the lease with Virginia Aviation.
- Bob Day I would like to think about the Mission of the airport, and how it goes forward and how this airport is going to grow. We have heard a lot about how Freedom is going to grow, but I would like to know how this airport is going to grow and the benefits to the taxpayer in this particular proposal that is on the table. And I have not heard that yet, and I need to do some more thinking about this before I reach a decision.
- Stewart Hobbs Is there anybody else?
- Debby Allen One question that I have and I don't know that there is an _____ answer but _____ to all the different people of the airport... this flight school is very successful. It is growing. What assurances would the City have of a balance between general aviation and the flight school?
- Dave Young Stewart, I will be happy if you want me to, I will be more than happy to address the financial _____ to the Commission.
- Stewart Hobbs I think, Dave, probably we can do that later, and do it in writing and put down formally on paper so that everybody can see it and maybe analyze it a little better. Mr. Payne, do you have your direction or do you need a little more?

Judy Bristow

I am Council for Freedom Aviation. I was involved in the stock [purchase].... There are a lot of questions...we may be able to answer better once there is a deal formulated, but...one thing might affect another, and it is going to be a domino process. We have been very careful to try to be resourceful for our client.... Our job today was to come and to try to bring to you a mutual front to demonstrate that finally, after a number of years, will there always be animosity or _____.... There are a lot of questions that you all as City representatives need answered; however, I am not sure that -- I might be putting my foot in my mouth here -- I am not sure that...in trying to follow the legalities of what they need, a document to work out.... I do not know whether this is...and whether assurances...to benefit from this, the change because you just don't know how _____ it would be.

We put together the sheet that we handed out to you all at the beginning, and it is a mutual understanding of the various _____ that concerns the City.... I just wanted to make sure that we were not losing track. I know that we still have a lot of work to do _____perhaps we will continue to battle this out then, we will be in more of a trial situation then but I really came today as part of the process we would hold _____....

I respect the fact that you all need more time, but nothing is going to get better for either side if you stall this. We have employees who are uncertain as to what is going to happen, so ever since we made the [proposal], there has been a lot of rumors and we have really tried to tell our folks not to _____ a whole lot, but that is pretty difficult to control. So I just ask that you keep that in mind when determining whether or not you want to defer this decision because City Council is still going to be the one to enforce it and I am sure that....

Bert Dodson

Ma'am, you are from the William Mullens Law firm from Roanoke or from Richmond?

Judy Bristow

From Richmond.

Bert Dodson

We are appointed by City Council, and they defer a lot of decisions to us. This is a very important decision for our City and for our City taxpayers; it is three or four weeks now from the 16th. I regret that you find it uncomfortable for us to go through a process, but I think that we are going to go through that process hopefully for the vote of the Commission and we welcome you back on June 16th.

Stewart Hobbs

Are there any other comments? ...

I have a comment, having been in this business for most of my adult life, and I see the problems from both sides. I appreciate, Bob, what you said. I see no benefit to the City that satisfies me to push this forward, but we are here to make a decision, and I am willing to make it today based on what I have heard. There is a motion to defer it, there is a motion and a second and I am willing to hold a vote if there is no more discussion.

I thought we did vote.

Stewart Hobbs

No, we did not vote. The motion is to defer, that is what I have.

Bert Dodson

We had a voice vote, but...

Stewart Hobbs

Well, the City Manager asked for discussion before the vote and we discussed, so at this point, the motion is on the floor to defer it to our next meeting, and hopefully there is additional information that will satisfy all of you. I am satisfied as it is, so I will request a show of hands. All in favor of deferring.

Bert Dodson

Mr. Chairman, before that, does the City Manager have a vote since he has abstained?

Stewart Hobbs

He said he was not going to vote.

Kim Payne

I don't intend to vote on the final recommendation, but I do have an opinion about delaying it and that will be not to. But I will not vote, and defer it to the rest of you.

Stewart Hobbs

The City Manager will not vote; he would prefer to go forward. A show of hands for all those in favor of the motion to defer this to our next meeting. The vote was tied at 4 to 4, with Kim Payne not voting.

In Favor

Against

Not Voting

1. Bert Dodson
2. Don Brown
3. Lynch Christian
4. Charles Nowlin

1. Stewart Hobbs
2. Debby Allen
3. Bob Day
4. Mike Davidson

1. Kim Payne

The motion does not carry, by my recollection of Roberts Rules of Order. So we are then on the floor, as I understand it, to not recommending to City Council. Can someone -- Walter help me out here.

Walter Erwin

The motion to defer does not carry, so then the next step would be: Are you ready to send it to City Council without a recommendation?

Stewart Hobbs With or without a recommendation.

Walter Erwin You could send it to them saying we discussed it further, or if you reach a majority or a decision on the issue, you can make that. If not, you could say the Commission is unable to come to a decision, so we are sending it to City Council without a recommendation from the Commission.

Stewart Hobbs So, having heard from legal counsel, is there a motion to some effect as to whether we proceed with a recommendation to council to approve it, or a motion to not approve it, one way or the other? We need to do something. We can do either or, we can have a vote to say we do not approve...or we can have a vote to say we don't have a recommendation...or we can vote to approve, either way. We voted to delay and that was not passed, that failed so....

Bert Dodson Mr. Chairman, since four of us decided to delay and four of us decided to go ahead, I have a lot of questions that won't be answered, so I will not do my service to the City. I have a ton of questions to ask in open meeting, closed meeting, so I will just make a motion that we make no recommendation to council since I think the cart is before the horse, and people have already made up their minds even though a lot of questions have [not] been answered.

Stewart Hobbs Your motion, Bert, is to make no recommendation to council, is there a second?

Lynch Christian I will second that, I don't feel like I understand enough about the situation to make a recommendation to City Council. I would like to know more about what is in the cart not just who the horse is.

Stewart Hobbs We have a motion and a second, is there discussion?

Bert Dodson We are here today, we will make the decision, we want to go to City Council, we want to ignore you and continue on, no other discussion, so give them what they want.

Stewart Hobbs The motion on the floor is to make no recommendation to City Council and send it to them as it is.

Don Brown I have a question. If we do that, does that mean that the Commission at this point is out of the picture?

Bob Day We were appointed by the Council; they are interested in our opinion. We try to give them our best judgment. Four of us thought that we needed a little bit more time and a little bit more information. That did not carry. We now have to make the decision based upon the information that we have and what we have heard, and we should make that decision and send that to the Council. That is why we were appointed.

Stewart Hobbs So, the motion is that we forward it without any endorsement or recommendation. I do not agree with that motion, I don't agree with that position. As you said, I think we need to vote up or down, one way or the other, but not abdicate and give away our position.

Don Brown It seems to me that if you vote it down, now you can discuss and go in the meeting on the 16th and discuss it some more, and then maybe open it up for another solicitation from the entity.

Stewart Hobbs No, no, no. We vote it up or down. It goes to Council up or down...we are through.

Lynch Christian I don't feel qualified at this point, I don't feel that I have enough facts in my mind to make a vote, to make a recommendation, one way or another.

Debby Allen I have one question that has not been asked. According to the contract that is in existence right now, if Virginia Aviation is sold, then the lease is terminated. If that were to occur, then Freedom would negotiate with the City or they are not interested in buying Virginia Aviation. By looking at the contract -- and I was not on the Commission when that was developed -- it was set up that way and Virginia Aviation agreed to it. So, I am just trying to determine why we don't go through the way the contract is, and then if that were the case, then we would be negotiating with Freedom Aviation.

Judy Bristow Without that, it is not happening.

Walter Erwin The reason that provision was put in the contract was to deal with this specific situation. We are not completely surprised that Virginia Aviation and Freedom Aviation have worked out a deal. That was in our minds that might happen. So the City wanted to have the option at that time if it did occur, should the City take control of some of these facilities and try to run it itself.

If the contract is going to get signed, should the City try to negotiate a better deal? Certainly giving Freedom control of all the facilities gives them the chance to enhance its revenues, so should the City try to get a better deal at this time?

Saying we want more rent...what's best by the current lease agreement? Or, should the City simply say we think signing the lease is a good deal as sent to it. But, the City wanted to have the opportunity to do what is being done today.

By having the Commission look at this situation and answer the question, does the assignment of the existing lease best serve the City's interest and the interest of the public for which the airport exists? In the public's interest, does assigning the existing lease best serve that interest or does something else happen should the City take over] the operation as the Airport Manager has suggested and run some of these facilities itself?

The City thinks it could enhance the revenue, and the City believes it will still give customers some element of choice, or should the City say, 'Look, we agree to the assignment but we want a better deal than we currently have' or, should the City go with the third option of simply approving the assignment of the current agreement as Virginia Aviation and Freedom Aviation have both requested?

- Mike Davidson I know my place on the Commission is that I represent the County, not the citizens of Lynchburg, but as a representative on this Commission representing Campbell County with this airport being in Campbell County, I do have a great deal of interest and concern and value that I place on this airport. I think the one thing that was said here tonight that confirmed my opinion on the decision that needs to be made was made by Mark Courtney.
- Mark talked about the merging and consolidation of the airlines and how that made them better and stronger and more competitive. That is what these people are trying to do, they are trying to merge and consolidate to get stronger and better. I think we have two independent businesses that have negotiated and reached a deal and have come to an understanding of how they can serve this area better. And for that, for the purpose of discussion, I would like to offer a substitute motion that we recommend to City Council to approve the lease agreement with renegotiated terms so if the City wants to negotiate and raise the rent term, so be it. But I really am steadfast and believe that approval of the reassignment of the lease should be something that we should consider.
- Stewart Hobbs Walter, help me out. We have a motion on the floor, moved and seconded to go to Council with no recommendation. We have a substitute motion, can that be addressed?
- Walter Erwin If the substitute motion is made and seconded, then technically, if you want to follow Roberts Rules of Order, the next step would be for the Commission to vote on whether or not the substitute motion replaces the main motion. If the substitute motion passes, then it becomes the main motion and you vote on it. If the substitute motion is not passed, then you go back and vote on the original motion.
- Charles Nowlin Walter, I have a question. The issue before us is not one of the assignment of the lease per se, is it?
- Walter Erwin This is the request that has come to the City: That Virginia Aviation and Freedom Aviation have requested that City Council approve the assignment of Virginia Aviation's lease to Freedom Aviation as part of Freedom Aviation's purchase of Virginia Aviation.
- Charles Nowlin Well, the way that I read it is, the provision that you spoke to a minute ago is the provision that precludes the assignment because the lease cancels itself at the sale.
- Walter Erwin But like any other contract, that provision can be changed.
- Charles Nowlin So the request is to change the provisions of the existing lease.
- Walter Erwin It is that the City not enforce that provision, that instead of terminating the lease that the City overlook that provision and approve the assignment of the existing lease to Freedom Aviation.
- Bob Day The lease will come up for renegotiation in four years?
- Walter Erwin Right, the lease will come up the end of June of 2018. A little over four years from now this will be up for negotiation again
- Jimmy Walker Walter, my memory of that, which might not be right, is that if Council approves it, it doesn't terminate, if the lease is transferred without Council's approval it terminates.
- Walter Erwin Well, the lease cannot be transferred without Council's approval. If the stock sale or purchase --whatever the agreement is between Freedom and Virginia Aviation -- proceeds without Council approval then the lease automatically terminates. What you are asking is that Council not impose that provision, that Council waive that provision in the lease, and allow the lease to go to Freedom Aviation along with the other assets of Virginia Aviation
- Bert Dodson I would like to respond to Mr. Day's comment. I don't know about the other people who voted to extend this conversation to June 16th, but from what I am hearing I am not voting for or against it, we just need more information. If you are convinced it is a great thing, then fine. If you have had the opportunity to ask a lot of questions and get all of your answers, fine. But like some of us who have served on City Council, and we had public hearings, we find a lot of information about _____. You get a lot of information from people, and then you make a decision. But, there again, some of us don't feel we got enough information and that is why we won't make the decision.

Stewart Hobbs We are stretching my limited abilities here, but we have a motion and a second to send it to City Council with no recommendation, we then had a substitute motion which does not have a second. Is there a second to the substitute motion? Let's hear the substitute motion.

Mike Davidson To recommend to City Council the reassignment of the lease but also offer to renegotiate the terms so that the City could benefit by higher income realizing more revenue. I think what that does is it accomplishes the merger but also gives the City the benefit of being able to benefit more by the lease.

Stewart Hobbs Is there a second to that substitute motion?

Don Brown I have a comment. Aren't you going to do that anyway? You are going to look at the lease; if we recommend to do what the gentleman says, we are going to be looking at the lease and making a decision whether you are going to continue it or change it.

Walter Erwin That would be up to City Council. Certainly, that would be an option for City Council. You can make a recommendation to Council and try to predict what Council might and might not do once the matter comes to them, even if you recommended that vote to Council with the recommendation that they simply approve the assignment of the lease. When it gets to Council, Council could say, 'Well, we would be willing to approve the assignment, but only if we renegotiate some of the terms.' That would certainly be an option that is available to Council, just as the same option is available to the Commission when the Commission makes its recommendation. Do you want to recommend straight approval...do you want to recommend approval with renegotiation possible...do you want to recommend not approving...or do you want to send it with no recommendation at all?

Stewart Hobbs So, from what I hear, the substitute motion does not have a second. Last chance. So the substitute motion fails.

We go back to Mr. Dodson's previous motion of sending it to City Council with no recommendation from this body, which I think is wrong, but that is on the floor, moved and seconded, discussed. So I will ask for a show of hands: All in favor of that motion, 1, 2, 3 motion fails (I am assuming everybody else votes no).

So we are back to a motion to Council. Someone needs to make [a motion] that says we recommend this proceed as petitioned; that we recommend that it not proceed as petitioned without our recommendation; or we can make a recommendation with certain questions as to what we want to be looked at, I don't know. I need a motion.

Don Brown I am going to make a motion that the parties come back on the 16th with the same information, and in the meantime, since we know what is involved right now, we can do our study and still come back on the 16th of June and reconsider it. That is the motion.

Mark Courtney Would you restate the motion Don.

Don Brown Since we can't get it _____ today, let's come back.

Stewart Hobbs Well, I think we just voted not to delay it.

Bob Day I am going to move that the Commission recommend to the City Council that it not accept the request of Freedom Aviation to assign the lease.

Stewart Hobbs That is pretty simple and clean. Is there a second.

Charles Nowlin I second it.

Stewart Hobbs There is a second from Mr. Nowlin. Is there discussion?

Bob Day _____ and the question for the Commission is we have to make a recommendation to them concerning the health, welfare and future growth of this airport. What we have heard today is a proposal that makes them [Freedom] very healthy and they [Freedom] are going to grow very nicely. But the question is the airport itself, and how is it going to grow in the future?

We have not heard any benefits today at all how this is going to benefit the airport. I don't believe that I can recommend supporting something that doesn't have any benefit to the airport. I know that is really what I am voting for.

Stewart Hobbs I must say, having been in this business, that I agree.

Lynch Christian You have made it clear how you feel.

Stewart Hobbs Yes.

Bob Day [They have] put together a proposal that was somewhat of a long shot because they hooked this thing in there of 'please pull that phrase out.' They [Freedom] could have made a nice, clean acquisition; a stock purchase agreement without anything having to do with the lease. They could have done that, and then they could have negotiated with the City for the facility.

Lynch Christian I am not sure that I agree with that, because with the purchase the lease would automatically terminate. I have heard some comments today that suggest that it would highly beneficial to the City, and highly beneficial to general aviation, and I find it very difficult to make a decision on a motion without some further understanding of the facts. I feel like we are sitting in Council's shoes here. Council has asked us to give a recommendation, and I don't feel comfortable making a decision one way or the other, without further understanding what the circumstances are.

Stewart Hobbs I disagree with that. I feel comfortable, but that is my background.

Bert Dodson We are no different than the Planning Commission or other Commissions that have been established by City Council. They do not have the resources that we have being Airport Commission Members for a number of years. I don't have the knowledge that you have being in general aviation for many years, but they will listen to what the Commission says. And they might overrule what we say -- it happens all the time.

Stewart Hobbs Well, they haven't done anything on the last recommendation [on airline fueling] that we made.

Bert Dodson Point: This is very crucial right here and I totally agree with Mr. Christian. We are not aviation people, Mr. Christian and I and several others. We are not trying to put the decision off forever, we are just asking for a few weeks to ask for more information to make the proper decision.

Stewart Hobbs That motion was made and failed.

Bert Dodson We could always make it again.

Stewart Hobbs I have a current motion and a second that we send it to Council recommending disapproval, is there additional discussion?

Debby Allen If we vote to disapprove it would still give us the option of negotiating.

Stewart Hobbs No, we don't tie their hands at all.

Debby Allen We are just voting to honor the contract and then they will still be negotiating.

Don Brown Then it goes to Council.

Charles Nowlin But it is Council's decision.

Stewart Hobbs It is always Council's decision, but it is our recommendation; we, as their appointed Commission Members.

Debby Allen Yes, but I am just clarifying the obvious, that it doesn't preclude Freedom Aviation to become a single FBO.

Stewart Hobbs No, they will go straight to Council but without our recommendation [to approve]. So is everybody happy with what we have said? We all happy or not? Are we ready to vote? All in favor of this motion...

Bob Day Please restate the motion.

Stewart Hobbs It is your motion, I will let you restate it.

Bob Day The motion is to not recommend approval of the request

Stewart Hobbs All in favor, a show of hands. 1, 2, 3, 4, 5. Opposed 1, 2 and Mr. Lynch Christian abstained and Mr. Payne is not voting.

In Favor

1. Debby Allen
2. Bob Day
3. Charles Nowlin
4. Don Brown
5. Stewart Hobbs

Opposed

1. Mike Davidson
2. Bert Dodson

Abstained/Not Voting

1. Lynch Christian
2. Kimball Payne

Bert Dodson So, point of order: Does this mean the Commission has decided to not make a recommendation?

Stewart Hobbs The Commission decided to turn down the request [as] recommended.

(4) ADJOURNMENT

Stewart Hobbs

And with that, if there is no further business, we stand adjourned.

Lynchburg Regional Airport Commission

Effective June 2014

AIR SERVICE UPDATE

Summary The number of daily departure seats is 300 and the daily departure frequency is 6 on most days.

Carrier Profile	<u>Airline</u>	<u>Destination</u>	<u>Departures</u>	<u>Seats</u>	<u>Equipment</u>
	US Airways	Charlotte	6	300	DH3/CRJ
AIRPORT TOTAL:			6	300	

US Airways During the month of June, scheduled equipment includes one CRJ-200 and five Dash 8-300s on weekdays. There are six Dash-8-300s scheduled for Saturdays and five Dash 8-300s scheduled for Sundays.

Destinations Served	<u>Non-Stop</u>	<u>Departures</u>	<u>Total</u>
	Charlotte	6	6 (most days)

Aircraft Types	<u>Aircraft</u>	<u>No. of Departures/Day</u>
	DH8 Dash 8	0 Daily
	DH3 Dash 8-300	5 Daily
	CRJ	1 Daily

LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR APRIL 2014

MONTH												YEAR TO DATE TOTALS				PERCENTAGE CHANGES			
AIRLINE PASSENGERS (REVENUE ONLY)																			
ENPLANED																			
US Airways - Piedmont			Apr-14	Mar-14	Apr-13	2014	2013	Apr-14 Mar-14	Apr-14 Apr-13	14 YTD 13 YTD									
US Airways - Air Wisconsin			3,615	3,112	3,145	11,968	11,257	16.2%	14.9%	6.3%									
US Airways - PSA			3,378	3,279	3,552	12,553	13,386	3.0%	-4.9%	-6.2%									
Charter			-	-	-	-	273	#DIV/0!	#DIV/0!	-100.0%									
TOTAL ENPLANED			6,993	6,391	6,697	24,521	24,916	9.4%	4.4%	-1.6%									
DEPLANED																			
US Airways - Piedmont			3,981	3,246	3,658	13,214	12,912	22.6%	8.8%	2.3%									
US Airways - Air Wisconsin			3,292	2,846	3,314	11,901	11,848	15.7%	-0.7%	0.4%									
US Airways - PSA			-	-	-	-	625	#DIV/0!	#DIV/0!	-100.0%									
Charter			-	-	-	-	-	#DIV/0!	#DIV/0!	#DIV/0!									
TOTAL DEPLANED			7,273	6,092	6,972	25,115	25,385	19.4%	4.3%	-1.1%									
TOTAL AIRLINE PASSENGERS			14,266	12,483	13,669	49,636	50,301	14.3%	4.4%	-1.3%									
MONTH												YEAR TO DATE TOTALS				PERCENTAGE CHANGES			
AIRLINE FLIGHTS																			
NUMBER OF DAILY SCHEDULED DEPARTURES																			
US Airways - Piedmont			Apr-14	Mar-14	Apr-13	2014	2013	Apr-14 Mar-14	Apr-14 Apr-13	14 YTD 13 YTD									
US Airways - Air Wisconsin			3	3	3			0.0%	0.0%	#####									
US Airways - PSA			3	3	3			0.0%	0.0%	#####									
Charter			0	0	0			#DIV/0!	#DIV/0!	#DIV/0!									
Total Daily Scheduled Departures			6	6	6			0.0%	0.0%										
NUMBER OF CANCELLED DEPARTURES																			
US Airways - Piedmont			1	10	3	26	15	-90.0%	-66.7%	73.3%									
US Airways - Air Wisconsin			0	10	1	23	6	-100.0%	-100.0%	283.3%									
US Airways - PSA			0	0	-	-	2	#DIV/0!	#DIV/0!	-100.0%									
Charter			0	0	-	-	-	#DIV/0!	#DIV/0!	#DIV/0!									
Total Cancelled Departures			1	20	4	49	23	-95.0%	-75.0%	113.0%									
NUMBER OF ACTUAL DEPARTURES																			
US Airways - Piedmont			95	85	87	332	317	11.8%	9.2%	4.7%									
US Airways - Air Wisconsin			82	77	82	306	321	6.5%	0.0%	-4.7%									
US Airways - PSA			0	0	0	-	14	#DIV/0!	#DIV/0!	-100.0%									
Charter			0	0	0														
TOTAL ACTUAL DEPARTURES			177	162	169	638	652	9.3%	4.7%	-2.1%									
MONTH												YEAR TO DATE TOTALS				PERCENTAGE CHANGES			
AIRCRAFT OPERATIONS																			
(Landings and Takeoffs)																			
COMMERCIAL AIRLINE			Apr-14	Mar-14	Apr-13	2014	2013	Apr-14 Mar-14	Apr-14 Apr-13	14 YTD 13 YTD									
GENERAL AVIATION			558	485	580	2,016	2,002	15.1%	-3.8%	0.7%									
MILITARY			11,816	9,160	11,717	38,651	33,384	29.0%	0.8%	15.8%									
TOTAL AIRCRAFT OPERATIONS			272	152	256	803	957	78.9%	6.3%	-16.1%									
TOTAL AIRCRAFT OPERATIONS			12,646	9,797	12,553	41,470	36,343	29.1%	0.7%	14.1%									



LYNCHBURG REGIONAL AIRPORT

TRAFFIC STATISTICS FOR APRIL 2014

APRIL	PIEDMONT				AIR WISCONSIN				PSA				TOTALS			
Aircraft Type	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor
DHC-8-200	-	-											-	-		
DHC-8-300	93	4,650											93	4,650		
DHC-8	2	74											2	74		
CR7								0		-			-	-		
CRJ(50 SEAT)	-	-			82	4,100			-	-			82	4,100		
Total	95	4,724	3,615	76.5%	82	4,100	3,378	82.4%	-	0	0	#DIV/0!	177	8,824	6,993	79.2%

Year-to-Date	PIEDMONT				AIR WISCONSIN				PSA				TOTALS			
	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor
DHC-8-200	-	-											-	-		
DHC-8-300	317	15,850											317	15,850		
DHC-8	15	555											15	555		
CR7									0	-			-	-		
CRJ(50 SEAT)	-	-			306	15,300			0	-			306	15,300		
Total	332	16,405	11,968	73.0%	306	15,300	12,553	82.0%	-	-	-	#DIV/0!	638	31,705	24,521	77.3%